



Standard Price Charts

28 September 2004



Defense Working Capital Fund – A Revolving Fund



**Fuel sale to DESC customers
at standard price**

**DESC product procurement
from contractors**



DWCF

Operational costs:

- Labor
- Travel
- ADP
- Rent/Utilities
- Etc.

Transportation As

Storage Infrastructure



Standard Price - Overview



- **Product cost set by Office of Management and Budget (OMB) and Office of the Secretary of Defense (OSD)**
- **Efficient budgeting - price stabilized to allow customers to execute their approved programs**
- **Price adjusted each year based on projections**
 - **composite costs spread to individual product categories**
- **All DoD customers pay the same price**



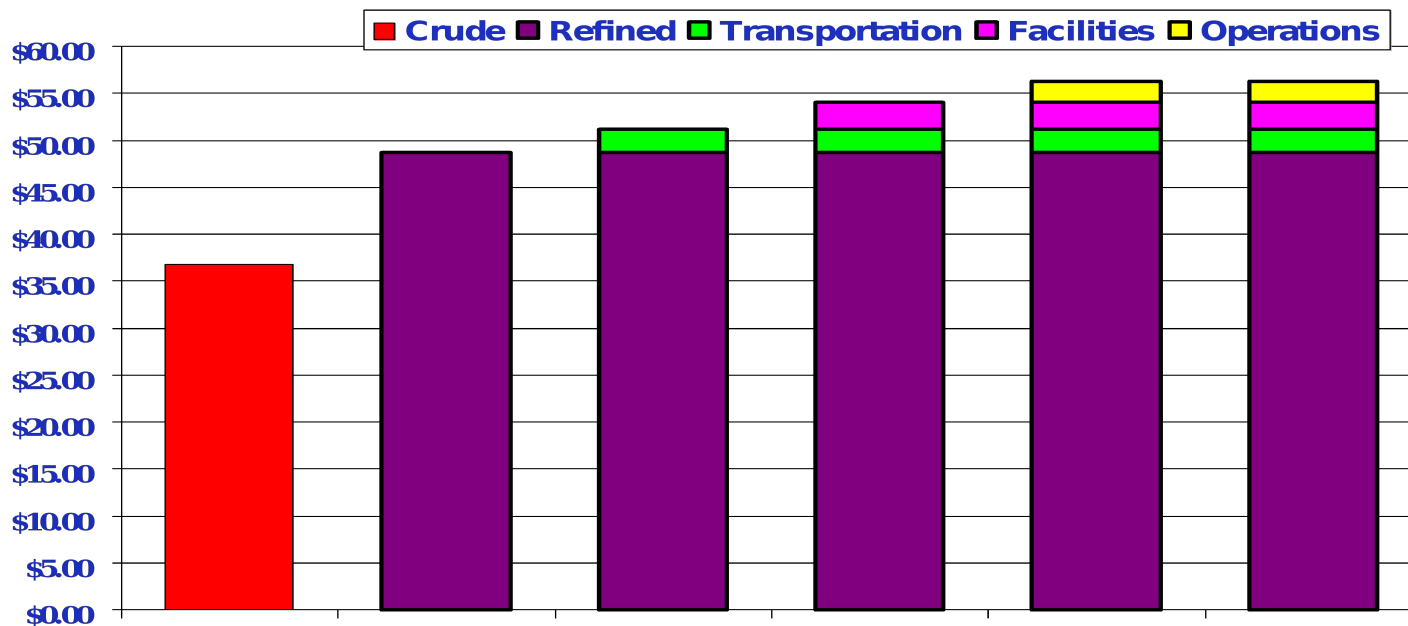


Petroleum Standard Price Build-Up (FY 2005 example)



DEFENSE ENERGY SUPPORT CENTER

Dollars Per Barrel



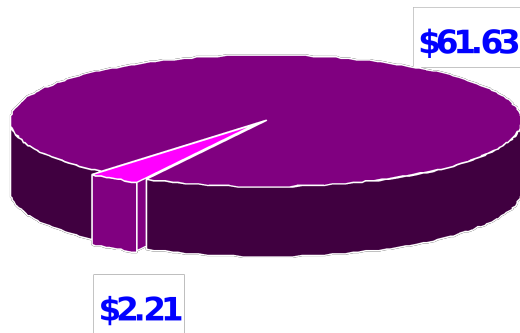


Standard Price Comparison (Dollars Per Barrel) FY2005

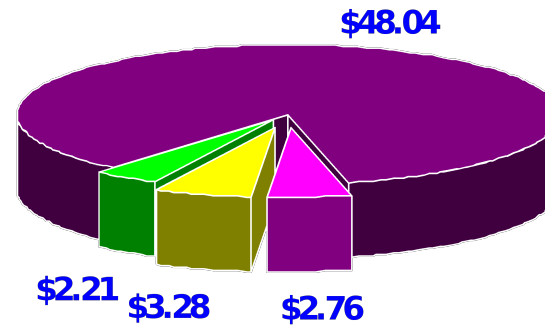


DEFENSE ENERGY SUPPORT CENTER

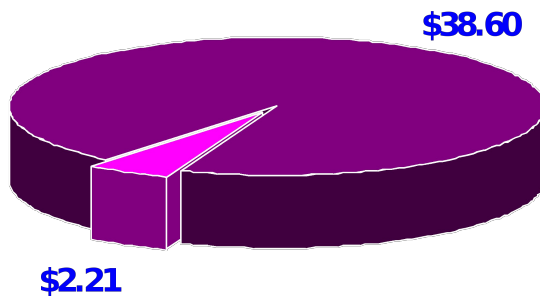
INTOPLANE - \$63.84



BULK and PC&S - \$56.29



BUNKERS - \$40.81

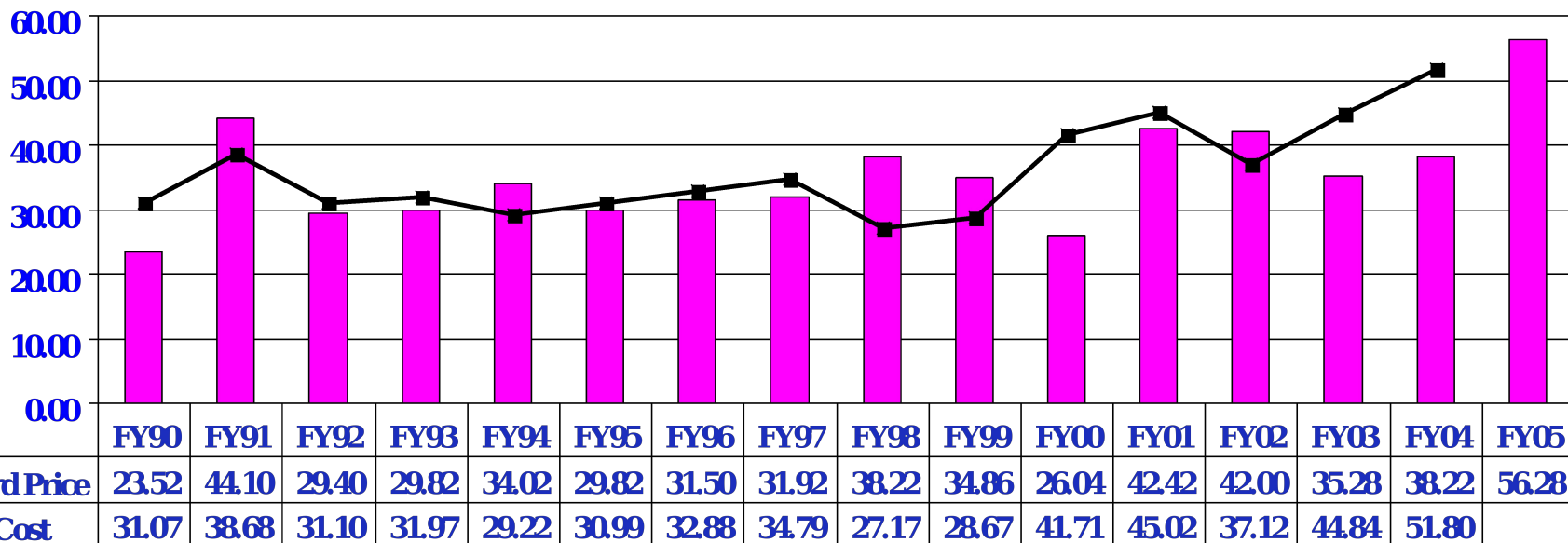




Standard Price VS Actual Cost



Dollars Per Barrel



The FY04 Actual Cost is estimated. The assumptions behind the numbers are:

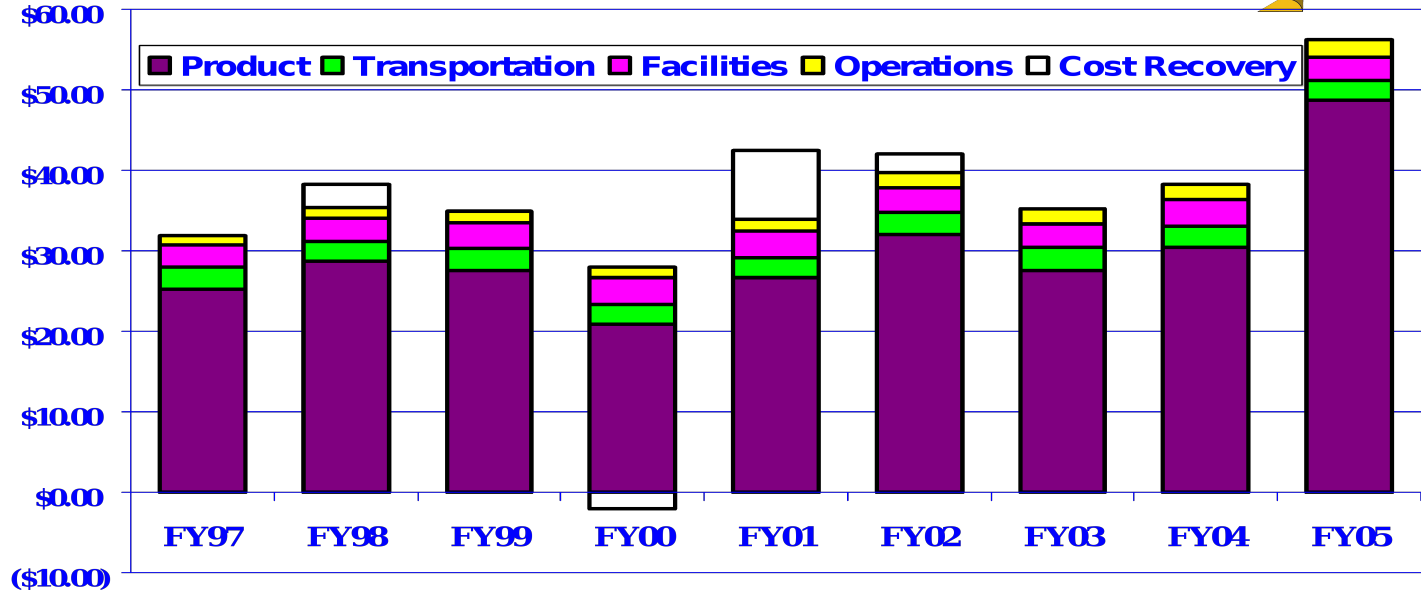
- Product cost \$6,197.6 million
- Non-product cost \$950.2 million
- Purchases 138 million barrels



Standard Price Comparison



DEFENSE ENERGY SUPPORT CENTER



	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Product	\$25.23	\$28.76	\$27.54	\$20.87	\$26.61	\$32.00	\$27.52	\$30.88	\$48.68
Transportation	2.72	2.41	2.76	2.53	2.46	2.80	2.86	2.63	2.46
Facilities:	2.74	2.95	3.14	3.26	3.42	2.96	2.94	3.31	2.92
Operations	1.23	1.29	1.42	1.37	1.45	1.91	1.96	1.83	2.22
Cost Recovery	<u>0.00</u>	<u>2.81</u>	<u>0.00</u>	<u>-1.99</u>	<u>8.48</u>	<u>2.33</u>	<u>0.00</u>	<u>-0.43</u>	<u>0.00</u>
Standard Price	\$31.92	\$38.22	\$34.86	\$26.04	\$42.42	\$42.00	\$35.28	\$38.22	\$56.28
Net Sales (Budget)	119.5	113.8	109.9	108.8	107.7	110.2	110.0	114.0	129.7
Net Sales (Actual)	111.7	112.3	112.5	107.7	110.3	132.3	142.5	138.0	